

TAX CREDIT ANALYSIS

Program Name: Dry Fire Hydrant (DFH)																																									
Department: Economic Development		Contact Name & No.: Brenda Horstman 751-3713		Date: October, 2011																																					
Program Category: Community Development			Type: Tax Credit <input checked="" type="checkbox"/> Other (specify) _____																																						
Statutory Authority: 320.093, RSMo			Applicable Taxes: Income Tax																																						
Program Description and Eligibility Requirements: Program sunset Aug. 28, 2010. No new applications being accepted. Dry Fire Hydrant Program is a tax credit program designed for any person, firm or corporation who purchases a dry fire hydrant, as defined in RSMo 320.273, or provides an acceptable means of water storage for such dry fire hydrant including a pond, tank or other storage facility with a primary purpose of fire protection within the State of Missouri.																																									
Explanation of How Award is Computed: Entitlement <input checked="" type="checkbox"/> Discretionary _____ The tax credit, not to exceed \$5,000, would be equal to 50% of the cost in actual expenditure for any new water storage construction, equipment, development and installation of the dry fire hydrant. The amount of the tax credit claimed for in-kind contributions shall not exceed 25% of the total amount of the contribution for which the tax credit is claimed.																																									
Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$500,000 _____ None _____ Explanation of cap:																																									
Explanation of Expiration of Authority: 320.093 -- Sunset August 28, 2003, reauthorized beginning August 28, 2007. Sunset August 28, 2010.																																									
Specific Provisions: (if applicable) Carry forward <input type="text"/> years Carry Back <input type="text"/> years Refundable <input type="checkbox"/> Sellable/Assignable <input checked="" type="checkbox"/> Additional Federal Deductions Available <input type="checkbox"/>																																									
Comments on Specific Provisions:																																									
	FY 2009 ACTUAL	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 (current year)	FY 2013 (budget year)																																				
Certificates Issued (#)	2	0	5	0	0																																				
Projects (#)	0	3	4	0	0																																				
Amount Authorized	\$1,600	\$15,000	\$16,268	\$0	\$0																																				
Amount Issued	\$5,850	\$0	\$21,268	\$0	\$0																																				
Amount Redeemed	\$11,133	\$2,634	\$7,715	\$5,000	\$5,000																																				
EST. Amount Outstanding	N/A	N/A	\$21,104	N/A	N/A																																				
EST. Amount Authorized but Unissued	N/A	N/A	\$0	N/A	N/A																																				
HISTORICAL AND PROJECTED INFORMATION																																									
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Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2011 ACTUAL	Other Fiscal Period (10 years)	<u>Derivation of Benefits</u>
BENEFITS			Investment: (a) \$32,536 in equipment spending in 2011. Employment: (a) n/a Other Assumptions: (a) n/a Incentives/Credits: (a) \$16,268 in authorized Dry Fire Hydrant Credits, redeemed between 2011-2017. Impacts occur in the Statewide Region. Assumptions provided by DED. Estimated using REMI-PI+Statewide Model (remi-fiscal-PI+aug11).
Direct Fiscal Benefits	\$197	\$197	
Indirect Fiscal Benefits	\$541	\$541	
Total	\$738	\$738	
COSTS			
Direct Fiscal Costs	\$2,324	\$15,200	
Indirect Fiscal Costs	0	0	
Total	\$2,324	\$15,200	
BENEFIT: COST	0.32	0.05	

Other Benefits

In FY-2011, every dollar of authorized program tax credits returns

\$0 in new personal income totaling	\$0 million
\$14.56 in new value-added/GSP totaling	\$0.03 million
\$14.56 in new economic output totaling	\$0.03 million

Over 10 YEARS, every dollar of authorized program tax credit returns

\$0 in new personal income totaling	\$0 million
\$2.23 in new value-added/GSP totaling	\$0.03 million
\$2.23 in new economic output totaling	\$0.03 million

Number of Dry Fire Hydrants Completed

